

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT BY DEPUTY R.G.
LE HÉRISSIER OF ST. SAVIOUR**

ANSWER TO BE TABLED ON TUESDAY 1st JULY 2008

Question

Is the Minister satisfied that the Tourism Development Fund should be used to fund research for the Economic Development Department as in NZT 148 (feasibility study into the cruise liner market) and NZT 194 (feasibility study for the creation of a tax relief scheme for tourism sector developments) as featured in the Tourism Development Fund Annual report 2007?

Answer

A strong visitor economy is essential to the Island and we should use all the means available to us to open new opportunities for growth and improvement. The Tourism Development Fund was set up in 2001 with that purpose in mind and I applaud the efforts of the Panel in supporting projects such as those mentioned, that may lead to growth and improvements.

The Jersey Destination Audit, carried out by Locumconsulting in 2006, pointed to the importance of there being a range of signature projects that make it clearer to stakeholders, from within and without the industry that a transition process is taking place and that they should be contributing to that transition.

Internationally, the cruise market has grown at an average of 9% per annum over the past 20 years making it the fastest growing area within the tourism sector. In our sister Island of Guernsey the cruise market has become an important contributor to the visitor economy with as many as 90 ships of varying sizes making a stop over each year whilst in Jersey we have consistently struggled to reach double figures despite a number of marketing initiatives.

Research into this sector was required to assess business potential and ascertain the reasons for our lack of current success against the background of growth elsewhere. As this is a specialist area of business it was necessary to engage the services of a consultant with significant cruise market expertise.

The resulting report made it clear that significant geographical difficulties existed for Jersey due to the exposed nature of offshore mooring on Jersey's south coast, but that considerable potential exists for attracting medium size cruise ships if we develop mooring facilities which enable passengers to walk ashore without tendering. We established that Jersey could be a very popular cruise call in a good location between some of Europe's most busy ports. The information gained is being factored into future harbour development plans.

The feasibility study into a possible tax relief scheme will explore the level of investment taking place in the Visitor Economy and explore barriers (real or perceived) to investment. This is being done with the full cooperation of the Jersey Hospitality Association. We welcome the important investments presently taking place in the industry but we want to explore areas where reinvestment has not taken place, examine why the investment has not been made and what could be done to encourage it.